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CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

INFORMATION REPORT **CONFIDENTIAL**

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25 July 1949

1. Recently an overseas trading office was established by the Communists at the offices of the Shantung Syndicate, Tsingtao. About 100 political workers quartered there are charged with establishing foreign trade from Tsingtao. Not one has had any foreign trade experience. They are plaguing Chinese import and export firms for statistical data covering the past twenty years and are asking assistance in establishing trade. They state that they want to learn, and make notes of all suggestions. Nothing comes of these suggestions because the political workers are not competent to make decisions, but refer everything to higher authorities.

26 July 1949

2. The Tsingtao agents for the Maersk Line have received a letter from the Shanghai agents stating that the KATE MAERSK was chartered by Russian charterers. It is sailing from Constanta, on the Black Sea, and is due in China waters about 15 August 1949*.

25 July 1949, except as noted

3. On 15 July the first shipment of Poshan coal, a total of 1,500 tons, arrived in Tsingtao for the Tsingtao electricity plant by rail. Transportation costs, charged to the power company, were US \$.002 a ton.
4. The coal at Lienyunkang** is reported to have come from the Tangshan mines by rail, and was stockpiled in Lienyunkang by the Communists before the occupation of Shanghai and Tsingtao in order to have coal in readiness for the requirements of the two cities.

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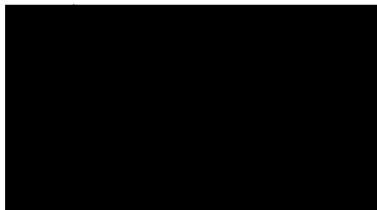
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5. One mill of the Yee Tsoong Industrial Company (a tobacco firm) has been organized and is being operated by the Communists. The mill formerly was operated by the company, which was a subsidiary of the Bank of China. The Communists have taken it over as legal booty. All workers were retained at wages from 90 catties of millet a month down. The workmen have been told to part from their families, which should go to the country where the Communists will employ them, paying in millet.
6. A Tsingtao merchant sold his entire Tsingtao holdings and purchased dried fish for shipment to Shanghai where he anticipated receiving a 300 percent profit. He chartered a fishing vessel to carry the cargo. The vessel was intercepted off Woosunkou by a Chinese Nationalist naval craft, relieved of its cargo, and ordered to return to Tsingtao. The owner of the cargo was sent to Shanghai by sampan***.
7. A small vessel was stopped on the coast south of Tsingtao, relieved of its 300-ton cargo and ordered to return to Tsingtao***.



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